



First Quarter 2004

# Insurance Regulator

State of Arizona  
DEPARTMENT OF  
INSURANCE

Janet Napolitano  
Governor  
Christina Urias  
Director

## Important New Feature on ADOI Website: Insurer Look-Up

As many readers know, last year, the ADOI gave visitors the ability to look up insurance producers on our website. Now you can look up insurers, too!

Here are some of the key data you can now search for on-line:

### *Insurers*

- Verify status of Arizona license/ authority
- Arizona admission date
- Lines of authority
- Address and phone numbers
- Statutory Agent name and address
- State of domicile
- AZ financials: premium, capital, surplus, assets and liabilities
- Company name history

The ADOI has improved the Producer Look Up feature as well. Now you can look up all the

following information on insurance professionals in Arizona, including insurance producers (agents) and firms, managing general agents, bail bond agents, surplus lines brokers:

### *Producers and More*

- Verify status of Arizona license (active, suspended or revoked)
- Length of licensure in AZ
- Lines of authority
- Address and phone number
- License expiration date
- Alternative business names
- Status of license renewal applications

Just point your browser to the ADOI website and look under Featured Items, or follow this link:

<http://app.az.gov/id/lookup/>

## ADOI Now Offers Services in Flagstaff

The ADOI began offering basic consumer assistance and producer licensing services in Flagstaff, AZ on March 25, 2004. Every Thursday between 10:00 and 3:00, ADOI personnel will be on hand to answer questions and take complaints from the public. In addition, producers applying for an insurance producer (agent) license and individuals seeking to renew an existing producer license can now take advantage of on-the-spot review of applications in the Flagstaff office during the posted hours on Thursdays. These same services are available in Tucson, as well.

Where and when:

State of Arizona  
Department of Economic  
Security Building  
220 North LeRoux Street,  
Flagstaff  
Thursdays, 10:00 AM to  
Noon and 12:30 to 3:00 PM

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### Mission Statement

"To faithfully execute state insurance laws in a manner that protects insurance consumers and encourages economic development."

## Unauthorized Insurance

Recently, “unauthorized insurance” has become a frequent subject of inquiry from the public, the media and government personnel. Print and television media outlets interested in educating the public about the pitfalls of unauthorized (phony) insurance have contacted the ADOI for background information and statistics. The federal General Accounting Office (GAO) recently issued a detailed report on the unauthorized health insurance problem (<http://www.gao.gov/>).

Although the GAO report and media inquiries have focused on health insurance, unauthorized insurance activity involves all lines—health, medical malpractice, business liability, surety, etc. On March 15, 2004, the NAIC announced a public awareness campaign designed to help consumers identify all types of unauthorized insurance activity (see *NAIC Launches Campaign to Fight Unauthorized Insurance* <http://www.naic.org/pressroom/>).

In conjunction with these efforts, the ADOI is developing materials to educate the public about the dangers of buying unauthorized insurance, and encourages consumers to call the ADOI if they suspect illegal activity before, during or after purchasing an

insurance policy. In addition, this past February, the ADOI added a brand new feature to its website that allows insurance consumers to check on the licensure of insurance companies any time of the day or night (visitors have been able to verify the licensure of producers for some time): <http://app.az.gov/id/lookup/>.

The ADOI also encourages producers to investigate the credentials of potential insurers soliciting you to market their products. Unauthorized insurance entities commonly claim they are not subject to state regulation, but there are very few insurance transactions that don't involve some level of regulatory oversight. It is equally important for producers and the general public to research the validity of potential insurers because producers may be liable for unpaid claims under a [unauthorized] contract that they sold to a consumer (*A.R.S. § 20-402*).

The ADOI takes these matters very seriously. Last year, the ADOI took enforcement action against an entity selling **unauthorized business liability** insurance and an agent selling **unauthorized surety bonds**. Readers are encouraged to report suspected unauthorized activity to the ADOI.



### Email us!

- Admission, withdrawal, merger, acquisition or corporate change application questions can be sent to:  
**insurerlicensing@id.state.az.us**
- Trust deposit or holding company system registration (Form B) questions can be sent to:  
**compliance@id.state.az.us**
- Financial statement filing questions can be sent to:  
**financialfilings@id.state.az.us**
- Premium tax questions can be sent to:  
**taxunit@id.state.az.us**
- The *public* can send us questions or request publications at:  
**consumers@id.state.az.us**
- *Producers* can ask questions or request forms at:  
**licensing@id.state.az.us**

# *Legislative Report*

On April 1, 2004 the Governor signed **HB2228** and **HB2235** into law. The Department's Charitable Gift Annuities bill, **HB2228**, (1) expands disclosure requirements for organizations offering charitable gift annuities; (2) requires audited financial statements; and, (3) prohibits the payment of commissions in connection with charitable gift annuities. **HB 2235** allows nonprofit entities to establish captive insurance companies and permits industry groups to use the services of third-party consultants to procure insurance.

On April 8, 2004, the Governor also signed **HB2224**, which provides for the confidentiality of insurer claims files submitted to ADOI and limits discovery and disclosure of such files to law enforcement personnel only.

**HB2547** is awaiting signature by the

Governor and prohibits insurance companies from considering mere inquiries about whether the policy will cover a loss, or about the type or level of coverage as a basis for declining, non-renewing or canceling coverage. The bill also prohibits insurers from reporting the inquiry to an insurance support organization, or consumer reporting agency. Also awaiting signature by the Governor is **HB2468**, which requires an auto insurer to inform insureds and/or claimants that they may repair their damaged vehicle at a facility of their choice. This "anti-steering" law further states that, if the insured selects a repair facility in which the insurance company has an ownership interest, the adjuster handling the claim must not be an employee of the repair facility, or have any authority over recommendations for specific repairs.

Another "anti-steering" law, **SB1241**, applies to auto glass repair facilities and (1) classifies an insurance company's failure to recognize a valid claim an "unfair settlement practice" and (2) recognizes the insured's/claimant's right to choose any vendor in the adjustment or settlement of a motor vehicle loss and if an insurance company makes recommendations in this regard, it must affirmatively inform the insured/claimant of this right. **SB1241** has passed the Senate and is awaiting action by the full House.

**HB2234** extends the term of insurance producer licenses from two years to four years, and is currently awaiting Final Read by the House before going to the Governor for signature.



## Regulator Profile: Mary Kitterman

Mary Kitterman is the ADOI Consumer Services Supervisor. Since 1987 Mary has held different positions with increasing responsibility in the Consumer Affairs Division.



Mary Kitterman receives commendation from Governor Napolitano

In March, Mary accompanied Director Urias to the Governor's Cabinet meeting to receive a Special Commendation for her quality service to the people of Arizona. Mary was also the ADOI Employee of the Month in November, 2002, and clearly she continues to demonstrate excellence in her work.

Mary temporarily took on the agency Ombudsman responsibilities and essentially performed two full-time jobs for the ADOI. This extra work involved substantial research of complex insurance and legal issues in

order to provide immediate responses to inquiries received from the Governor's Office, the State's Ombudsman, Legislative and Congressional offices. While Mary calmly absorbed this extra work and responsibility, she continued to fulfill her own duties of providing assistance to Arizona insurance consumers seeking help from the ADOI. Even under the most intense pressure, Mary's quiet, unassuming manner allows her to handle the most difficult problems with success. Arizona consumers repeatedly comment that "Mary is always professional and treats everyone with the utmost respect." Mary is an exemplary asset to the State of Arizona and the Department of Insurance. ■

## RULES HEARING:

### PROPOSED LONG-TERM CARE INSURANCE

The ADOI has proposed new Long-Term Care Insurance rules to carry out the mandates of Laws 2003, Ch. 133, which became effective on September 18, 2003. The proposed rules will bring Arizona closer in conformity with the NAIC Long-Term Care Insurance Model Act.

The proposed rules prescribe increased disclosure requirements on long-term care insurers and require insurers to provide consumers with specific documents and information to assist them in making informed choices about long-term care insurance products. Additionally, the proposed rules include provisions to stabilize premium

costs over the lifetime of the policy and minimize large premium increases. The proposed rules will have prospective application only and will apply only to individual policies.

The ADOI filed the proposed rules with the Office of the Secretary of State on March 5, 2004. The Department will receive oral comments on the rulemaking at an oral proceeding to be held on Wednesday, May 5, 2004 at 10:00 a.m. at the Arizona Department of Insurance, 2910 North 44th Street, Phoenix, Arizona, 3rd floor training room. The deadline for written comment is 5:00 p.m. on Friday, May 7, 2004. ■

## Captive Insurance

The Arizona Captive Insurance Association held its inaugural Conference at the Westin Kierland on March 17 - 18. Attendees included captive owners, captive service providers and reinsurers from across the country and abroad, together with regulators from the Arizona Department of Insurance.

There are now 21 Captives insurers licensed in Arizona and 8 more applications under review. ■

## *Fraud Unit Report*

### ***Two Up, One Down***

**Anna Garcia** returns to us from the industry. Anna is our only Spanish speaking investigator. She is a talented investigator and dedicated to the fight against insurance fraud and we are glad to have her back in the Fraud Unit.

The second Special Investigator is **Randall Fricke**. Randall recently retired from the Arizona Game and Fish Department. He is highly trained in the identification and investigation of fraud involving watercraft and other vehicles. Randall will be assisting in the ever-growing number of vehicle theft frauds here in our state.

With every bit of good news there is always a little bad. Special Investigator **Dan Ray** retired from the Department March 19<sup>th</sup>, reducing the number of investigators down to nine. The Unit will absorb and continue to work Dan's caseload. Anyone who was working on an investigation with Dan should call Chuck Gregory, Investigations Supervisor.

### ***Keeping up with Fraud Issues***

There are several organizations that offer interesting and up-to-date information on insurance fraud to the industry and the public. Here are some websites you might want to visit periodically. You can also sign up to receive email news on some of these sites:

*The Coalition Against Insurance Fraud* has a monthly report and other informative tidbits. The website states "Since its founding in 1993, the coalition has worked effectively to..."

- enact tough new anti-fraud laws and regulations
- educate the public how to fight back, and
- serve as a national clearinghouse of fraud information."

<http://www.insurancefraud.org>

*The Insurance Information Institute (III)* compiles many of the latest facts and statistics relating to the insurance industry. <http://www.iii.org/>

*The National Insurance Crime Bureau (NICB)* collects and compiles information on auto thefts and other property/casualty issues. The website states "The National Insurance Crime Bureau is a not-for-profit organization that receives support from approximately 1,000 property/casualty insurance companies. The NICB partners with insurers and law enforcement agencies to facilitate the identification, detection and prosecution of insurance criminals." <http://www.nicb.org/> 

## **Did you know...**

A.R.S. § 25-518 allows Arizona courts to suspend an insurance producer's license for failure to: pay child support, comply with a child support subpoena, or comply with a child support arrest warrant. The Department of Insurance strictly enforces by such orders.

There is a program called Child Support Lien Network (CSLN) that facilitates matching liability and workers compensation claims with parents past due on child support payments. The Alliance of American Insurers has endorsed insurer participation in the CSLN program and a growing number of states' child support enforcement offices are participating as well.

For more information on how your company can help identify claimants in arrears on child support, visit the following websites:

**CSLN** - [www.childsupportliens.com](http://www.childsupportliens.com)

**Insurance Services Organization (ISO)** - [www.iso.com](http://www.iso.com)

**US Department of Health and Human Services** – [www.hhs.gov/children/index.shtml#family](http://www.hhs.gov/children/index.shtml#family)

### ***Insurance Regulator***

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# Around ADOI

## Producer Licensing

### ***Bailbond agents***

Bailbond agents whose license renews after July 1, 2004 no longer need to meet the continuing education requirement in ARS § 20-3002.

### ***Producer Customer Satisfaction***

The ADOI recently sent customer satisfaction surveys to a sample of Arizona producers. Recipients of the survey are encouraged to fill out the brief questionnaire and return it to the ADOI. Your feedback is important!

## Financial Affairs

### ***Change in Deposits Custodian – New Account Forms Required***

On March 29, 2004, all Arizona Department of Insurance trust deposit accounts were transferred to Wachovia Bank, NA as a result of its recent award of the Arizona State Treasurer's custodial and safekeeping services. The Financial Affairs Division has mailed the required new account forms for each trust deposit account, which **MUST BE PROMPTLY EXECUTED AND RETURNED TO THIS DEPARTMENT.**

If you have not received a packet or have any questions about the forms, please contact the Trust Deposits Unit at (602) 912-8427 or [compliancesection@id.state.az.us](mailto:compliancesection@id.state.az.us).

## Property & Casualty

### ***Market Monitoring***

The Division's market monitoring for homeowners, nursing home liability, medical malpractice, and other liability is underway.

## Consumer Affairs

### ***New ADOI Publications***

The following ADOI publications were recently updated:

- *Automobile Premium Comparison*
- *Homeowners Premium Comparison*
- *Managed Care Complaint Ratio*

Updated versions of the following pamphlets are coming soon:

- *Personal Lines Complaint Ratio*
- *Mobile Home Premium Comparison*

# Regulatory Activity

## NEW LICENSES

### Domestic Companies

	Company Name	NAIC #	Effective Date	Type
1.	AMERICAN PRIDE CAPTIVE INSURANCE COMPANY	N/A	3/4/04	Pure Captive Insurer
2.	AMERICAN PROPERTY & LIABILITY CAPTIVE INSURANCE COMPANY	N/A	2/3/04	Agency Captive Insurer
3.	ENTERPRISE INDEMNITY CAPTIVE INSURANCE COMPANY, INCORPORATED	N/A	3/4/04	Pure Captive Insurer

### Foreign Companies

	Company Name	State of Domicile	NAIC #	Effective Date	Type
1.	ENDURANCE REINSURANCE CORPORATION OF AMERICA	NY	11551	1/14/04	Accredited Reinsurer
2.	FIRST COLONIAL INSURANCE COMPANY	FL	29980	2/10/04	Property & Casualty Insurer
3.	LEXON INSURANCE COMPANY	TX	13307	2/25/04	Casualty Insurer
4.	LIFERE INSURANCE COMPANY	TX	66613	1/26/04	Life and Disability Insurer
5.	MENDAKOTA INSURANCE COMPANY	MN	22454	2/25/04	Property & Casualty Insurer
6.	NATIONAL GRANGE MUTUAL INSURANCE COMPANY	NH	14788	1/8/04	Property & Casualty Insurer
7.	REPUBLIC MORTGAGE INSURANCE COMPANY OF NORTH CAROLINA	NC	31275	1/15/04	Mortgage Guaranty Insurer
8.	SERVICE INSURANCE COMPANY	FL	36560	2/4/04	Property & Casualty Insurer

### Risk Retention Groups Registered

	Company Name	State of Domicile	NAIC #	Effective Date
1.	GREEN HILLS INSURANCE COMPANY, A RISK RETENTION GROUP	VT	11941	03/12/04

### Service Company Permits (A.R.S. 20-1095, et seq.)

	Company Name	State of Domicile	Effective Date
1.	BRUNSWICK PRODUCT CORPORATION	DE	01/7/04
2.	CONTINENTAL SERVICE PROVIDER, INC.	IL	1/20/04

### Third Party Administrators (TPA)

	Company Name	State of Domicile	Effective Date
1.	GROUP MANAGEMENT SERVICES, INC.	NE	01/14/04
2.	ANCILLARY CARE MANAGEMENT, INC. dba ANCILLARY CARE MANAGEMENT OF PHOENIX, INC.	DE	1/29/04
3.	BEN-E-LECT	CA	1/04/04
4.	MERCURY CLAIMS & ASSISTANCE OF WISCONSIN	WI	02/17/04

# Regulatory Activity

TPA's continued...

1.	PAYCHEX AGENCY, INC.	NY	02/19/04
2.	DECARE DENTAL HEALTH INTERNATIONAL, LLC	MN	02/24/04
3.	DORAL DENTAL SERVICES OF ARIZONA, LLC	WI	2/26/04
4.	PAYLOGIX LLC	NY	3/3/04
5.	SOUTHWEST SERVICE ADMINISTRATORS, INC.	AZ	3/15/04
6.	WHP HEALTH INITIATIVES, INC. dba WALGREENS HEALTH INITIATIVES, INC	IL	3/15/04
7.	ADAPTIS INC	WA	3/15/04
8.	CYPRESS DENTAL ADMINISTRATORS	CA	3/24/04

## Utilization Review Agents

Company Name	State of Domicile	Effective Date
NO ACTIVITY THIS QUARTER		

## CHANGE OF AUTHORITY

Company Name	State of Domicile	NAIC #	Effective Date	Change
1. AMERICAN CAPITOL INSURANCE COMPANY	TX	60291	1/7/04	Granted Disability
2. AMERICAN NATIONAL PROPERTY AND CASUALTY COMPANY	MO	28401	3/4/04	Granted Workers' Compensation
3. NYLIFE INSURANCE COMPANY OF ARIZONA	AZ	81353	2/3/04	Granted Variable Annuities and Variable Life
4. PARTNER REINSURANCE COMPANY OF THE U. S.	NY	38636	3/19/04	Granted Workers' Compensation
5. STONEBRIDGE CASUALTY INSURANCE COMPANY	OH	10952	1/6/04	Granted Vehicle

## NAME CHANGES

Old Name (to) New Name	State of Domicile	NAIC #	Effective Date
1. GOLDEN AMERICAN LIFE INSURANCE COMPANY (to) ING USA ANNUITY AND LIFE INSURANCE COMPANY	IA	80942	1/1/04
2. PODIATRY INSURANCE COMPANY OF AMERICA (RISK RETENTION GROUP), A MUTUAL COMPANY (to) PODIATRY INSURANCE COMPANY OF AMERICA, A MUTUAL COMPANY	IL	14460	1/1/04

# Regulatory Activity

## ACQUISITIONS/MERGERS/WITHDRAWALS

### Acquisitions of Arizona Companies

	Company Name	NAIC #	Date Order Filed	Acquired By
1.	AMERICAN EQUITY INSURANCE COMPANY	43117	3/25/04	The St. Paul Companies, Inc.
2.	RAINIER INSURANCE COMPANY	43915	1/30/04	Maritime Service Company

### Mergers Involving Arizona Companies

	Company Name Merged Into	State of Domicile	NAIC #	Date Order Filed
NO ACTIVITY THIS QUARTER				

### Withdrawals from Arizona

	Company Name	State of Domicile	NAIC #	Date Order Filed
1.	ACACIA NATIONAL LIFE INSURANCE COMPANY	DC	85685	1/21/04
2.	EAGLE PACIFIC INSURANCE COMPANY	WA	36986	3/4/04
3.	EQUITABLE LIFE INSURANCE COMPANY OF IOWA	IA	62979	1/26/04
4.	FIRST NATIONAL REINSURANCE COMPANY OF THE USA.	AZ	10822	3/29/04
5.	FIRST VARIABLE LIFE INSURANCE COMPANY	AR	77984	1/26/04
6.	GUARANTEE RESERVE LIFE INSURANCE COMPANY	IN	64203	1/21/04
7.	HBC INSURANCE GROUP, INC.	AZ	60180	3/10/04
8.	KEYPORT LIFE INSURANCE COMPANY	RI	65234	1/21/04
9.	LAKESIDE CAPTIVE INSURANCE COMPANY	AZ	N/A	3/26/04
10.	MANCHESTER LIFE INSURANCE COMPANY	AZ	N/A	3/29/04
11.	OLD RETIREMENT LIFE INSURANCE COMPANY	AZ	N/A	3/10/04
12.	ROCHE CAPTIVE INSURANCE COMPANY OF AMERICA	AZ	N/A	3/30/04
13.	SENATE NATIONAL LIFE INSURANCE COMPANY	AZ	78522	3/19/04
14.	SOUTHWEST PROTECTIVE LIFE INSURANCE COMPANY	AZ	97519	3/29/04
15.	TRI-CITY LIFE INSURANCE COMPANY	AZ	N/A	3/29/04
16.	UNITED LIFE & ANNUITY INSURANCE COMPANY	IA	69876	1/26/04
17.	USG ANNUITY & LIFE COMPANY	OK	61247	1/26/04
18.	WILSON CAPTIVE INSURANCE COMPANY	AZ	N/A	3/26/04
19.	WTC CAPTIVE INSURANCE COMPANY, INC.	AZ	N/A	3/26/04

## SUPERVISIONS/RECEIVERSHIPS

	Company Name	State of Domicile	NAIC #	Effective Date	Action Taken
1.	OLD WEST ANNUITY & LIFE INSURANCE COMPANY	AZ	76791	3/2/04	Rehabilitation

# Regulatory Activity

## FINANCIAL EXAM REPORTS

Company Name	NAIC #	Date Report Filed
1. BLUE CROSS AND BLUE SHIELD OF ARIZONA, INC.	53589	2/12/04
2. GENERAL SECURITY INDEMNITY COMPANY OF ARIZONA	20559	3/26/04
3. HBI LIFE INSURANCE COMPANY	82368	1/15/04
4. HOUSEHOLD LIFE INSURANCE COMPANY OF ARIZONA	64360	2/3/04
5. MHN REINSURANCE COMPANY OF ARIZONA	89429	1/30/04
6. PMI MORTGAGE GUARANTY CO.	10670	1/2/04
7. PMI MORTGAGE INSURANCE CO.	27251	1/2/04
8. PROGRESSIVE PALOVERDE INSURANCE COMPANY	44695	3/16/04
9. RESIDENTIAL GUARANTY CO.	10287	1/2/04
10. RESIDENTIAL INSURANCE CO.	10741	1/2/04
11. TEB LIFE INSURANCE COMPANY	81604	1/8/04
12. UNITED CONCORDIA DENTAL PLANS OF ARIZONA, INC.	52122	3/26/04
13. WESTERN AGRICULTURAL INSURANCE COMPANY	27871	3/16/04

## MARKET CONDUCT EXAMINATIONS

Company Name NAIC #	Findings	Disposition
1. Cigna Healthcare of Arizona	Failure to properly file an amendment to the evidence of coverage.	3/1/04 Consent Order \$1,000 Civil Penalty
2. Northwestern Mutual Life Insurance Company #67091	Failure to require authorization forms prior to HIV testing. Failure to provide policy summaries and Notice of Replacement of Life Insurance forms to existing insurers.	1/20/04 Consent Order \$9,000 Civil Penalty
3. Humana Insurance Company # 73288	Use of noncompliant forms and notices. Improper claims processing procedures. Violations of Appeals statutes.	2/2/04 Consent Order \$60,000 Civil Penalty
4. Fortis Benefits Insurance Company # 70408	Use of noncompliant forms and notices. Improper claims processing procedures. Violations of Appeals statutes.	2/6/04 Consent Order \$53,000 Civil Penalty
5. Prudential Insurance Company of America # 68241	Failure to file all long term care advertising materials. Improper claims processing procedures. Failure to 12 point type on all fraud warning notices. Use of noncompliant annuity forms.	2/6/04 Letter Agreement \$0 Civil Penalty
6. Pruco Life Insurance Company #79227	Life insurance replacement violations. Use of noncompliant forms.	2/6/04 Consent Order \$8,000 Civil Penalty

# Regulatory Activity

Market Conduct continued...

7.	Fortis Insurance Company # 69477	Use of noncompliant forms and notices. Improper claims processing procedures. Violations of Appeals statutes.	2/11/04 Consent Order \$28,000 Civil Penalty
8.	Principal Life Insurance Company # 61271	Use of noncompliant forms and notices. Violations of Appeals statutes.	2/12/04 Consent Order \$24,000 Civil Penalty
9.	Auto-Owners Insurance Company #18988	Violations of commercial rating statutes. Improper claims processing procedures. Failure to send commercial policy cancellation notices by certified mail.	3/24/04 Consent Order \$5,500 Civil Penalty
10.	Owners Insurance Company # 32700	Violations of commercial rating statutes. Improper claims processing procedures. Failure to send commercial policy cancellation notices by certified mail.	3/24/04 Consent Order \$7,500 Civil Penalty

## SUSPENSIONS/REINSTATEMENTS

Company Name	State of Domicile	NAIC #	Effective Date	Action
1. STATEWIDE INSURANCE COMPANY	IL	41416	1/20/04	Suspended

## PRODUCERS AND OTHER LICENSEES DISCIPLINED

Cause No. Name City – State	Allegation	Disposition
1. 03A-194 Jeffrey Ward Pickens Flagstaff, AZ	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; failed to maintain a \$10,000 surety bond; failure to immediately return collateral upon exoneration of a bond; failure to inform the Director of a change of address within 30 days.	1/12/04 Order License Revoked
2. 04A-005 David Ronald Krizman Tucson, AZ	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state.	1/13/04 Consent Order License Revoked
3. 04A-006 Karina Byanka Fausto Tucson, AZ	Prior felony conviction for embezzlement of insurer funds; fraudulent practice by diverting or attempting or conspiring to divert the monies of an insurer; provided incomplete information on license application.	1/13/04 Consent Order License Revoked
4. 03A-201 Shirley Babb Porter-Hart Piedmont, OK	Had an insurance producer license, or its equivalent, denied, suspended or revoked in resident state of Oklahoma.	1/21/04 Consent Order License Revoked

# Regulatory Activity

Disciplinary actions continued...

5.	03A-165 Gary Lynn Christopher and Pamela Ann Christopher Broken Arrow, OK	Had an insurance producer license, or its equivalent, denied, suspended or revoked in resident state of Oklahoma; used dishonest practices or demonstrated untrustworthiness or financial irresponsibility in the conduct of business in Arizona or elsewhere.	1/26/04 Order Licenses Revoked
6.	03A-173 Rudi Max Kopec Mesa, AZ	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state; admitted to committing any insurance unfair trade practice or fraud; improperly withheld, misappropriated or converted any monies or properties received in the course of doing insurance business; intentionally misrepresented the terms of an actual or proposed insurance contract or application for insurance.	2/3/04 Consent Order License Revoked
7.	04A-022 Theodore Basil Zogob Irvine, CA	Used fraudulent coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of doing business in this state; had an insurance producer license, or its equivalent, denied, suspended or revoked in any other state, province, district or territory.	2/5/04 Consent Order License Revoked
8.	04A—027 James G. Kent Jacksonville, IL	Used fraudulent, coercive or dishonest practices, or demonstrated incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere; had an insurance producer license, or its equivalent, denied, suspended or revoked in resident state of Illinois.	2/11/04 Consent Order License Revoked
9.	04A-004 Harry Douyon Smith	Prior felony conviction for embezzlement; provided incorrect, misleading, incomplete or materially untrue information the license application; used dishonest practices, or demonstrated untrustworthiness or financial irresponsibility in the conduct of business in this state; had an insurance producer license, or its equivalent, denied suspended or revoked in any other state.	3/1/04 Order License Revoked
10.	04A-039 Eunice R. Wadsworth Louisville, KY	Prior felony conviction for felony bank embezzlement; had an insurance producer license, or its equivalent, denied, suspended or revoked in any other state; provided incorrect and materially untrue information on license application.	3/4/04 Consent Order License Revoked

# Regulatory Activity

## RULES, BULLETINS, PRESS RELEASES

### Rules

Citation	Title	Action	Status
1. Title 20, Chapter 6, Article 21	Customer Information Security	Notice of Final Rulemaking	Rulemaking will be heard at 5/4/04 meeting of Governor's Regulatory Review Council
2. Title 20, Chapter 6, Article 10	Long-Term Care Insurance	Notice of Proposed Rulemaking	Oral proceeding 5/5/05, 9:00 a.m., at ADO - 2910 N. 44th St. Phx, AZ. Written comments accepted until 5:00 p.m. 5/5/04

### Regulatory Bulletins

Number	Title	Date Issued
1. 2004-01	Revision of Private Passenger Automobile Property Damage Threshold for Purposes of A.R.S. § 20-1631(E)	2/13/04

### Press Releases

	Title	Date Issued
1.	Old West Annuity and Life Insurance Company Placed into Rehabilitation	March 2, 2004
2.	Department of Insurance Publishes Updated Medigap Premium Comparison	February 3, 2004
3.	New Protections For Life Insurance and Annuity Shoppers	January 5, 2004